CONTRACTS — SUITS BY THIRD PERSONS NOT PARTIES TO THE CONTRACT — SOLE BENEFICIARY; CONTRACT MADE BY LABOR UNION FOR THE BENEFIT OF ITS MEMBERS — NEW YORK LAW. — In consideration of the right to use the union label, an employer agreed with a labor union to employ only union workmen and to pay them a minimum wage of eighteen dollars a week. The plaintiff, a member of the union, who in ignorance of this contract had worked for the employer at nine dollars a week, now sues to recover the difference between the wages that he received and the wages stipulated for in the contract between the union and the employer. *Held*, that he can recover. *Gulla* v. *Barton*, 149 N. Y. Supp. 952 (App. Div.).

In New York a creditor can recover on a contract made for his benefit by his debtor. *Lawrence* v. *Fox*, 20 N. Y. 268. But a sole beneficiary is not allowed to recover. *Durnherr* v. *Rau*, 135 N. Y. 219, 32 N. E. 49. When the sole beneficiary is a dependent relative, however, recovery is allowed on the singular theory that the moral obligation to support brings the contract within the rule of *Lawrence* v. *Fox*. *Buchanan* v. *Tilden*, 158 N. Y. 109, 52 N. E. 724; *Knowles* v. *Erwin*, 43 Hun (N. Y.) 150. By analogy to this exception, citizens have lately been allowed to recover on contracts made for their benefit by a municipality. *Smyth* v. *City of New York*, 203 N. Y. 106, 96 N. E. 409; *Pond* v. *New Rochelle Water Co.*, 183 N. Y. 330, 76 N. E. 211. See 25 HARV. L. REV. 289. The principal case goes a step further and establishes the rule that the members of an association for mutual aid can recover on a contract made for their benefit by the association. Since the moral obligation which is owed to a dependent relative or to a member of a union clearly does not make the contract one for the benefit of a creditor, these cases display a growing tendency on the part of the New York courts to relax the rule denying recovery on contracts for a sole beneficiary.

CORPORATIONS — STOCKHOLDERS: INDIVIDUAL LIABILITY TO CORPORATION AND CREDITORS — STOCK LEFT REGISTERED IN VENDOR'S NAME THROUGH CORPORATION'S FAULT. — A bank cashier sold his stock to the man who was about to become president of the bank. By the vendor's resignation there was no proper official to register the transfer, but he trusted his vendee, the new president, to see it properly done. The vendee failed to do this and now a creditor seeks to hold the vendor as a stockholder under an individual liability statute. *Held*, that the defendant is not liable. *Bank of Midland* v. *Harris*, 170 S. W. 67 (Ark.).

For a discussion of the effect of failure to transfer stock on the books of the corporation, see NOTES, p. 422.

CORPORATIONS — STOCKHOLDERS: RIGHTS INCIDENT TO MEMBERSHIP — LIABILITY OF DIRECTOR FOR DAMAGE TO THE CORPORATION AS STOCKHOLDER IN ANOTHER CORPORATION. — Plaintiff corporation owned all but eighteen out of three thousand shares in a New Jersey corporation doing business in Brazil, of which H. was general manager. Defendant, a director of the plaintiff, but not of the subsidiary, corporation, acquired part ownership in another company also doing business in Brazil, of which H., to the knowledge of defendant but unknown to plaintiff, became part owner, and to which, with defendant's assistance in concealing facts, he misapplied $185,000 of the assets of the subsidiary corporation. The complaint is based on violation of duty as director through neglect to inform and intentional concealment. Defendant demurs. *Held*, that the demurrer should be overruled. *General Rubber Co.* v. *Benedict*, 164 N. Y. App. Div. 332, 149 N. Y. Supp. 880.

For a discussion of the novel question here presented of whether a corporation is entitled to bring action directly for wrongfully depreciating the value of stock that it holds in a second corporation which may itself proceed against the wrongdoer, see NOTES, p. 409.